

## Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 L-03 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 PA-04 PRS-01 NSCE-00 SSO-00 USIE-00 INRE-00

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DRAFTED BY ARA-LA/CAR:WBWHEELER:HLB

APPROVED BY ARA- J.KUBISCH

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FM SECSTATE WASHDC

TO AMEMBASSY KINGSTON IMMEDIATE

C O N F I D E N T I A L STATE 163971

E.O. 11652: GDS

TAGS:EMIN, JM

SUBJECT: BAUXITE

REF: STATE 162106

1. THIS TELEGRAM SUPPLEMENTS REFTEL, IN ACCORDANCE WITH  
PARAGRAPH NUMBER 2 OF THAT MESSAGE.

2. DURING THAT DISCUSSION WITH AMBASSADOR FLETCHER,  
ASSISTANT SECRETARY KUBISCH EMPHASIZED THAT IN COMPLEX AND  
DIFFICULT SITUATIONS WHICH JAMAICA AND THE UNITED STATES  
WERE INVOLVED, HE BELIEVED IT WAS NECESSARY TO HAVE CLOSE,  
EFFECTIVE AND ADVANCE CONSULTATIONS ABOUT IMPORTANT  
ANTICIPATED DEVELOPMENTS. WE APPRECIATED THE CLOSE CON-  
SULTATIONS IN BOTH WASHINGTON AND JAMAICA CONCERNING  
ISSUES RELATED TO THE RECENT BAUXITE NEGOTIATIONS. HOWEVER,  
MR. KUBISCH STATED HE BELIEVED THAT IF THE GOJ HAD ALLOWED  
MORE TIME - PERHAPS AS LITTLE AS 30 DAYS MORE - FOR THE  
INITIAL NEGOTIATIONS, AND CONSULTATIONS WITH THE USG, THE  
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DIFFERENCES BETWEEN THE GOJ AND BAUXITE INDUSTRY MIGHT

HAVE BEEN SATISFACTORILY RESOLVED. HE EXPRESSED THE STRONG HOPE OF THE USG THAT IN ANY FUTURE NEGOTIATIONS THIS BE BORNE IN MIND.

3. AMBASSADOR FLETCHER FULLY AGREED. HE SAID THAT AT ONE POINT THE GOJ WAS PREPARED TO SETTLE FOR TAX REVENUES EQUIVALENT TO SIX PER CENT OF THE ALUMINUM INGOT PRICE AND

THE INDUSTRY WAS PREPARED TO GO TO FIVE PER CENT, BUT NEITHER SIDE KNEW THE OTHER'S TRUE POSITION. AT A LATER POINT IN THE CONVERSATION AMBASSADOR FLETCHER STATED THAT AS A RESULT OF HIS TALKS WITH MR. KUBISCH THE GOJ HAD EARLIER REDUCED ITS DEMANDS FROM TEN PER CENT TO SEVEN AND ONE-HALF PER CENT, LATER INCREASING TO EIGHT AND ONE-HALF PER CENT.

4. AMBASSADOR FLETCHER SAID HE HAD BEEN IN CLOSE CONTACT WITH JUSTICE ARTHUR GOLDBERG AND CONSIDERED HIS FUTURE INVOLVEMENT IMPORTANT TO RESOLUTION OF AN OVERALL DEAL BETWEEN THE GOJ AND THE ALUMINUM COMPANIES. FLETCHER SAID THAT HE HAD SAT IN ON SOME NEGOTIATIONS WITH ALUMINUM COMPANY EXECUTIVES AND HE DID NOT BELIEVE GOJ AND THE ALUMINUM INDUSTRY WOULD REACH AGREEMENT WITHOUT OUTSIDE HELP.

5. FLETCHER CITED AS KEY REMAINING BAUXITE ISSUES:

- JAMAICA BUYING BACK BAUXITE LANDS.
- JAMAICAN PARTICIPATION IN EXISTING MINING OPERATIONS. (FLETCHER DID NOT MENTION ALUMINA PROCESSING FACILITIES.)
- AGREEMENT ON JOINT PARTICIPATION IN ALL FUTURE DEVELOPMENT.

6. FLETCHER STATED THAT THE DEPARTMENT HAD BEEN A CONSTRUCTIVE FORCE IN SEEKING RESOLUTION OF DIFFERENCES IN THE BAUXITE NEGOTIATIONS AND HE EXPRESSED A STRONG DESIRE FOR USG INVOLVEMENT AND CLOSE FUTURE CONSULTATIONS BETWEEN GOVERNMENTS.

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7. HE ALSO SPOKE HIGHLY OF CLOSE COOPERATION BETWEEN GOJ AND USG IN CURRENT NARCOTICS EFFORT WHICH HE SAID WAS PROGRESSING WELL.

8. FLETCHER ALSO INDICATED CONCERN OVER RECENT BARRON'S ARTICLE REGARDING JAMAICA AND WHAT HE VIEWED AS COMPANY-INSPIRED CAMPAIGN TO DISCREDIT GOJ, PARTICULARLY IN EYES OF PRIVATE INVESTORS. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Copy:** SINGLE  
**Draft Date:** 27 JUL 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** kelleyw0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Film Number:** D740204-1047  
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**Status:** NATIVE  
**Subject:** BAUXITE  
**TAGS:** EMIN, JM, US  
**To:** KINGSTON  
**Type:** TE  
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